NORTHWEST TERRITORIES HOUSING CORPORATION

OVERVIEW

MISSION

The mission of the Northwest Territories Housing Corporation (NWTHC) is to ensure, where appropriate and necessary, that there is a sufficient supply of affordable, adequate and suitable housing stock to meet the housing needs of the Northwest Territories residents.

GOALS

1. Increased supply of adequate, suitable and affordable housing stock in communities to meet the housing needs of NWT residents;
2. Sufficient land is acquired and developed for the purpose of providing affordable housing in all communities;
3. Homeownership programs and services provide easy access for clients and secure and protect NWTHC assets;
4. Long term sustainability and energy efficiency of the housing stock; and
5. Greater personal responsibility for housing through community based training and support, and strengthened collections policies and procedures.

BUDGET (2008/09)

Compensation & Benefits	$11,226,000
Grants & Contributions	$47,229,000
Other O&M	$3,428,000
Principal & Interest Charges	$12,053,000
Amortization	$8,883,000
Infrastructure Investment	$37,098,000

POSITIONS

Headquarters (HQ)	60 positions
Regional/Other Communities	56 positions

KEY ACTIVITIES

- *Corporate Management and Services;*
- *Finance and Infrastructure Service;*
- *Debt Repayment;*
- *Programs and District Operations; and*
- *Local Housing Organization (LHOs).*

STRATEGIC ACTIONS

The NWTHC will take the following actions in support of the government's strategic initiatives:

- *Improve Quality and Cost of Shelter (Reducing the Cost of Living Initiative);*
- *Improve Skills for Living and Working (Maximizing Opportunities Initiative); and*
- *Strengthen Service Delivery (Refocusing Government Initiative.*

STRATEGIC ISSUES

Access to Affordable, Adequate and Suitable Housing

The provision of affordable housing in communities is the focus of the NWTHC's mandate. Over its 34 year history, the NWTHC has been the primary provider of shelter in many communities in the NWT. The NWTHC's contribution is evident in the rapid and significant improvement in housing conditions that coincided with the creation of the NWTHC in the 1970s, and continues to this day through projects such as the Affordable Housing Initiative (AHI). The AHI, funded equally by the Government of Canada through the Northern Housing Trust and an equal contribution from the GNWT, will make available approximately 500 affordable homes in communities across the NWT by 2009.

The challenges associated with providing further affordable housing are clear. Northern Housing Trust funds are scheduled to sunset on April 1, 2009. While a five year extension of other Federal programs was announced in October 2008, there remains uncertainty about the Federal government's long-term commitment to fund housing. The NWTHC's ability to complete any significant construction activity without Federal support is limited. Canada, through the Canada Mortgage and Housing Corporation (CMHC), has been an essential partner in ensuring that the housing needs of Northerners are met. It is anticipated that this partnership will continue to be critical as the NWTHC strives to meet housing needs and continues to support the development and evolution of NWT communities.

While the NWT continues to improve its processes and means to assist residents, it is clear that the GNWT and the NWTHC cannot do it on their own. The NWTHC must pursue every opportunity to find funding, including leveraging funds through community partnerships and by increasing its efforts to collect mortgage and rental arrears.

The lack of available funding is further compounded by the escalating cost of construction across the NWT. A strong economy in provinces such as Alberta has attracted much of the skilled labour across the country, and increased in the cost of materials and shipping. Additionally, construction and mineral development activity in the NWT's major regional centres has put a strain on the availability of contractors and materials. This problem is greater in small communities where limited capacity land availability and shipping costs have made it extremely difficult to construct housing in an affordable manner.

The Long-Term Sustainability of the Existing Stock

The Federal government's decision to phase out capital, operating and maintenance funding for public housing in the early 1990s required the NWTHC to refocus its limited resources on the delivery of capital projects. One area that requires more attention as a result of this refocusing was the maintenance of public housing assets.

The current condition of the public housing stock is a major concern for the NWTHC. At the national level, the long term sustainability of public housing is one of the primary issues being discussed by provinces and territories. In the NWT, as with the rest of Canada, it is crucial that existing units be maintained, and that new units are designed and constructed in a manner that ensures their longevity.

CMHC provides an ongoing subsidy to pay a portion of the operating and amortization costs of the Government of the GNWT's public housing portfolio. As the individual mortgages are paid, the

federal funding needed to fund the operation and maintenance of each unit expires. Over the years 2003/04 to 2037/38, the GNWT/NWTHC will face a total shortfall in O&M funding of over $340 million.

Energy Efficiency and Environmental Impacts

Energy efficiency will be a key component of the NWTHC's business over the coming years. Electricity and heating fuel must be used more efficiently in public housing in order to reduce greenhouse gas emissions and reduce utility costs.

The NWTHC supports the efficient use of utilities to reduce operating costs and impacts on the environment. Most of the NWTHC's efforts towards the reduction of utility consumption have been in support of reducing costs and the mitigation of environmental impacts to reduce greenhouse gas emissions.

In addition, new design technology in the areas of building envelopes and heating systems provide an important opportunity to the NWTHC to improve the energy consumption of homes, as well as making shelter more affordable through the reduction of energy costs.

Securing and Protecting Our Investments

The NWTHC encourages homeownership as the best option to allow residents to become more self-reliant in the provision of housing. To ensure that residents receiving homeownership assistance from the NWTHC receive the full benefits of homeownership, the NWTHC places a strong emphasis on land tenure.

From a Corporate management perspective, secure land tenure is important in ensuring that the NWTHC is able to administer and retain control over its housing portfolio, and able to enforce tenancy and homeownership agreements.

The NWTHC has determined that it will only deliver housing assistance on land that is properly tenured as fee simple title or leasehold. This decision requires the NWTHC to work in consultation with the Department of Municipal and Community Affairs, aboriginal and community governments to acquire properly tenured building lots. The need for new housing in all communities is clear. In order for the NWTHC to successfully deliver this much needed housing, the need for land tenure must be understood and supported by everybody involved in the provision of affordable housing.

Contributing to Safe, Healthy and Sustainable Communities

Given the role that housing plays in improving health, education and preventing social problems, and the challenges faced in delivering housing in northern communities, the NWTHC's programs remain important pieces of the GNWT's efforts to improve quality of life in our territory. Over its history, the NWTHC has responded to the needs of individuals, regions, and special interests by creating programs targeted at specific needs. As the Corporation goes forward into a new era of housing delivery, we must ensure that our programs continue to meet these needs in a manner that is flexible and easily accessible for residents.

As the NWT continues to evolve, the NWTHC remains committed to helping residents achieve lifestyles of independence, dignity, health and security. For these reasons, housing is recognized as an essential element of community and territorial infrastructure. From a national perspective, the 2007 Throne Speech recognized that *in order to take advantage of the North's vast opportunities,*

northerners must be able to meet their basic needs. In order to achieve this, the Government of Canada has committed to continue to improve living conditions in the North for First Nations and Inuit through better housing.

Training Opportunities in Housing

Current economic activity in the NWT has resulted in a serious shortage of qualified trades people. This has impacted on the ability of the NWTHC to hire contractors to construct homes under the AHI, and has limited the ability of homeowners and the NWTHC to access qualified people to repair their homes in some communities. At the LHO level, the shortage of skilled labour to complete housing maintenance activities will have a serious impact on the long term sustainability of the public housing stock.

The NWTHC is committed to working with the Department of Education, Culture and Employment (ECE) to provide education and training to interested youth and adults to encourage them to enter housing-related trades. As an additional benefit, many of the training programs utilized have also allowed for the completion of modest homes and needed repairs and maintenance for NWTHC clients.

CORPORATE MANAGEMENT & SERVICES

Description

Corporate management and services are provided primarily through the NWTHC's Executive Office. The Executive provides overall management direction to the NWTHC and collaborates with various community and government partners in addressing the housing needs across the Northwest Territories. The Executive provides an essential coordinating function in strategic planning, policy development and in the development of operational guidelines on the business of the NWTHC. The Executive is also responsible for providing support to the Minister Responsible for the NWTHC and to ensure we meet the requirements of the Legislative Assembly.

The Executive also contains the Strategic Planning, Policy and Communications section of the NWTHC. This section provides long-term strategic direction and planning for the NWTHC and is responsible for representing the NWTHC at the Federal/Provincial/Territorial level, on interdepartmental working groups and other committees. The section is responsible for strategic and business planning, policy development, qualitative and quantitative research, and corporate communications.

The Strategic Planning, Policy and Communications section, under the direction of the President and CEO, is responsible for coordinating and monitoring the NWTHC's responses to the Auditor General of Canada's Performance Audit. The NWTHC's responses and actions resulting from this audit are contained primarily in the Framework for Action 2008-2011. Other changes in operational policies and procedures have been achieved through directives issued to districts and LHOs by NWTHC Senior Management and are outlined in the NWTHC's response to the review of the Performance Audit by the Standing Committee on Government Operations.

2008/09 Resources

Budget:

Compensation & Benefits	$918,000
Grants & Contributions	-
Other O&M	$203,000
Amortization	-

Staff (Positions):

Headquarters	9

KEY ACTIVITY 1: FINANCE & INFRASTRUCTURE SERVICES

Description

Finance and Infrastructure Services coordinates financial services, capital planning, land development and infrastructure to support the delivery of the NWTHC's Infrastructure Acquisition Plan.

The Finance & Administration Division is responsible for the overall financial affairs of the NWTHC and its Boards and Agencies. This includes financial planning, the provision of accounting services, reporting and monitoring, treasury services, mortgage and debt administration, and providing financial advice to senior management and stakeholders. This Division is also responsible for the NWTHC's Information Systems and Information Management and is responsible for the management of the NWTHC's assets.

The Infrastructure Services Division is responsible for the overall development, design and procurement, planning and delivery of capital infrastructure projects in support of the NWTHC's rental and homeownership programs. This Division is also responsible for forecasting and acquiring land requirements, land tenure, land development and land administration related to new construction and lands occupied by NWTHC assets and mortgage interests. Infrastructure Services is also responsible for the maintenance management of the NWTHC's public housing portfolio in order to ensure its long term sustainability. Finally, Infrastructure Services is the NWTHC's lead on issues related to energy efficiency and new housing technologies.

Major Program and Service Initiatives

The NWTHC's **Mortgage Payment Plan** provides opportunities for homeownership clients with mortgage arrears to become successful homeowners. All clients will be offered counseling on their mortgage through this plan over the next two years.

The NWTHC will develop **a new housing construction strategy** that will address core need, expand homeownership repair assistance and alleviate some of the infrastructure deficit in public housing.

The **NWTHC's Framework for Action 2008** is intended to reflect how the NWTHC will move forward to fulfill its mandate. It includes actions, deliverables, and timelines for completion. This Framework for Action is ultimately guided by the Vision and Goals of the 16th Legislative Assembly, and as such it is a living document that will continue to change to meet the needs of residents of the NWT.

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2008/09 Budget:

Compensation & Benefits
$4,012,000

Grants & Contributions
$5,815,000

Other O&M
$1,892,000

Amortization
$97,000

Staff (Positions):

43 HQ

Measures:

Increase mortgage collections annually by $500,000.

Complete capital delivery under the $100 million Affordable Housing Initiative by the end of 2009-10

Bring all housing designs utilized in capital delivery to the Energuide 80 level.

KEY ACTIVITY 2: DEBT REPAYMENT

Description

The NWTHC has $66.9 million in long-term debt with the CMHC for the provision of public rental housing. The annual principal and interest payment on this debt is $12.05 million. In accordance with the Social Housing Agreement, CMHC also contributes $10.5 million annually in servicing this debt.

Major Program and Service Initiatives

None

2008/09 Budget:

Compensation & Benefits
NA

Grants & Contributions
NA

Other O&M
$12,053,000

Amortization
None

Staff (Positions):

NA

Measures:

There are no specific measures associated with this activity. Debt repayment schedules are established through the Social Housing Agreement and will not be amended or adjusted during this planning period.

KEY ACTIVITY 3: PROGRAMS & DISTRICT OPERATIONS

Description

This Division provides corporate support to the NWTHC's five District Offices in the delivery of programs and services to the residents of the NWT. This includes the development, implementation, training, monitoring, evaluation and delivery of programs and initiatives that optimize the NWTHC's responsiveness to NWT housing needs, and to ensure a continuity of approach to program delivery and implementation.

The creation of this Division in 2008 was designed to place renewed emphasis on monitoring and providing support to District and LHOs. The current focus of this section is to ensure compliance with existing policies and procedures, as well as developing and updating operational policies and procedures in light of the recommendations of the Auditor General of Canada, while ensuring that District Offices and LHOs play a role in supporting the NWTHC's capital and program delivery.

Major Program and Service Initiatives

To implement the **Auditor General's Review Recommendations**, the NWTHC has changed its corporate organizational structure to improve its capacity to monitor and guide the LHOs. District Offices have been directed to:

- Enhance their monitoring of tenant applications and allocations to ensure NWTHC policies are followed;
- Enhance their monitoring of LHO maintenance activities including condition ratings;
- Implement by October 31, 2008, strict procedures governing technical inspection of public housing units;
- Assist LHOs in improving their rent collection rates;
- Ensure LHOs are applying NWTHC polices on tenant relations;
- Assist LHOs with resolving accumulated deficits, including implementation of the NWTHC's Deficit Funding Agreement; and
- Assist LHOs with budget management.

To **support the Refocusing Government strategic initiative**, the Programs and District Operations Division will represent the NWTHC on interdepartmental working groups determining the future role of community boards, including LHOs. The GNWT has targeted 2010-11 to implement structural reform of key GNWT boards.

2008/09 Budget:

Compensation & Benefits
$6,296,000

Grants & Contributions
$3,469,000

Other O&M
$1,333,000

Amortization
$8,786,000

Staff (Positions):

8 HQ
56 Regional

Measures:

Return rent collections to the 90% level by 2011

Conduct an evaluation of the Housing Choices program structure by the end of 2009-10

Implement the recommendations of the Auditor General of Canada to improve corporate performance at the community, regional, and headquarters levels.

KEY ACTIVITY 4: LOCAL HOUSING ORGANIZATIONS

Description

The NWTHC, in partnership with 23 LHOs, administers approximately 2,400 social housing units in 26 communities across the NWT. These LHOs provide, under agreement with the NWTHC, property management services including the allocation of units, the collection of rents, and the provision of preventative and demand maintenance services. LHOs are funded from tenant rental payments and rental subsidies provided from ECE.

Major Program and Service Initiatives

None.

2008/09 Budget:

Compensation & Benefits
NA

Grants & Contributions
$37,945,000

Other O&M
None

Amortization
None

Staff (Positions):

NA

Measures:

There are no specific measures associated with this activity. Measures related to Local Housing Organizations are captured within the Programs and District Operations activity description.

STRATEGIC INITIATIVE: REDUCE THE COST OF LIVING
Action: Improve the Quality & Cost of Shelter

Description

Despite the current strength of the economy, the NWT continues to face housing challenges greater than those faced in most of Canada. The challenge of improving these conditions is compounded by the lack of long-term Federal funding for new social housing, the continuing decline in funding to operate and maintain existing social housing, and a labour shortage that has seriously impacted the availability of workers to complete housing construction and repair projects.

The NWTHC has developed "Framework for Action 2008-2011", which identifies the strategic actions required over the next three years to deliver on its mandate and to address the housing expectations of the GNWT and all residents.

Implement housing strategies aimed at addressing quality issues
The NWTHC will address quality issues with housing through a combination of new construction (through the completion of the AHI and a new construction strategy to be developed) and through greatly enhanced maintenance and repair activity.

Core Need – Funding to offset the loss of federal funding resulting from the sunset of the Northern Housing Trust;

Homeownership Repair - Investments to complete major repairs on up to 150 homes through the Contributing Assistance for Repairs and Enhancements program;

Infrastructure Deficit – Investments to enable major repairs on up to 125 private homes through programs for lower income homeowners across the NWT; and

Calculation of Economic Rent – Update the methods used to calculate maximum rents by type of unit by community.

Objectives

Improve the quality and condition of homes requiring repairs by investing additional resources under the Contributing Assistance to Repairs and Enhancement (CARE).

Secure further Federal investment in Northern Housing to provide new homeownership and public housing dwellings in communities across the NWT through the annual construction program.

Action Plan

Over the past three years, the NWTHC has embarked on its most aggressive construction program in recent memory. The NWTHC's annual capital delivery during 2006-09 provided nearly $40 million in new construction and repairs in communities across the NWT under the Affordable Housing Initiative (AHI). Funded equally by the Governments of Canada and the NWT, this initiative has provided over 500 new dwellings in communities. This Initiative has allowed the NWTHC to replace over 200 public housing units and provide affordable homeownership options to nearly 300 families

Though no new Federal investments in new construction are expected for 2009-10, the NWTHC will continue with delivering over $16 million in capital projects in 2009/10, as well as completing construction on units remaining under the AHI.

The NWTHC will invest an additional $2,000,000 annually under the CARE Program to improve the quality of shelter in communities.

STRATEGIC INITIATIVE: MAXIMIZING OPPORTUNITIES
Action: Improve Skills for Living and Working

Description

The Department will be involved in the following activities included as part of this action:

New Apprentices in Designate Trades and Occupations – Fund the employment of 12 apprentices. The NWTHC and the Department of Public Works and Services (PWS), in an effort to avoid competing for limited resources in some communities, have created an arrangement whereby PWS concentrates its hiring efforts in regional centres while the NWTHC focuses on hiring apprentices in smaller communities.

Objectives

The NWTHC will fill 12 apprentice positions at LHOs during this planning period.

The NWTHC will work with ECE to formalize a curriculum for a Construction Trades Access Program that can be offered at the secondary level in any interested community.

Action Plan

Apprentices will be hired by the end of 2008-09

NWTHC and ECE have begun discussions on a formal curriculum for construction trades at the secondary level. The NWTHC would like to this curriculum to be ready for implementation for the 2010-11 school year.

STRATEGIC INITIATIVE: REFOCUSING GOVERNMENT
Action: Strengthen Service Delivery

Description

The NWTHC will continue to participate in the strategic action to strengthen service delivery, specifically related to providing housing-related support and information required for the reform of GNWT boards.

One of the priorities under the Refocusing Government Strategic Initiative is the need to strengthen service delivery in communities. There are two activities identified to fulfil this need: the housing for staff activity to be developed by the NWTHC, with collaboration from the Department of Human Resources; and the development and definition of service levels for communities which is to be lead by the Department of the Executive.

Recruitment and retention of staff is becoming increasingly more difficult in many NWT communities due to a lack of housing for staff. Housing concerns focus around cost/affordability and availability and condition.

December 2005, the FMB approved sixteen (16) additional positions at a cost of $1,640,000 for the NWTHC to build adequate capacity to improve its operations.

These positions were dedicated to technical, land and infrastructure activities. While these positions were scheduled to "sunset" on March 31, 2009, the NWTHC advises that it will not be able to maintain existing levels of service to its housing clients, as well as, improve its core business operations without retaining at least six (6) out of these sixteen (16) positions.

In the technical area, the initiatives include maintaining 2,300 public housing units with a view of maximizing their useful life, providing preventive maintenance and energy efficiency support to homeowners across the territory, building new homes and providing substantial improvements and repairs to existing homes and conducting research for and the implementation of new technologies to improve the energy efficiency of housing generally across the NWT.

Objectives

Improve the efficiency of the NWTHC service delivery at the community and regional level.

Contribute to the GNWT's efforts to recruit and retain staff in smaller communities by ensuring that quality housing is available.

Retain land and technical capacity within the organization.

Action Plan

The NWTHC will continue to play a central role in the implementation activities associated with the board reform initiative. The current schedule indicates that 2009/10 will be a transition year associated with the board reform initiative.

Housing for Staff: The Housing Corporation will work with the Department of Human Resources, the Department of the Executive, key departments, and affected communities to find options to ensure that more housing is made available and is affordable for staff. Efforts will be made to encourage the private sector, through supports and incentives to build and provide housing on a priority basis to certain categories of staff.

Retaining Land and Technical Capacity in the NWTHC: The NWTHC will retain six (6) of the sixteen positions on an indeterminate basis including one position at each of the 5 district offices and the position of Manager, Land Planning and Business Development at Headquarters.

INFRASTRUCTURE INVESTMENTS

The NWTHC's 4 year capital plan for 2009-2013 is included as Appendix A of this document.

As part of its efforts to ensure the long-term sustainability of its housing stock, the NWTHC extends the design life of each public housing unit from 25 years to 50 years, by performing complete retrofits. These retrofits are performed 20 years after construction and again at 35 years after construction. Public housing units are planned for replacement after a period of 50 years.

The NWTHC's housing inventory of 2,100 public housing units is aging rapidly. NWTHC engages in annual ongoing capital replacement of public housing by replacing fully detached public housing units with multiplexes and retrofitting existing units to extend their useful life.

As well, the NWTHC constructs homeownership units to address the requirement for new housing stock to alleviate core need (2,300 units), the impact of new family formations and the poor condition of privately owned housing across the North.

With respect to major capital investment, the proposed capital acquisition plan calls for the allocation of $10,155,000 for new housing and $6,500,000 for major modernization and improvement of public housing including new public housing. In total, major capital in 2009/10 amounts to $16,655,000.

Total grants and contributions, which would include homeownership repair programs and minor public housing rental repairs, provide an additional investment of $9,724,000 in the NWT housing stock.

Total program delivery for 2009/10 is a proposed $26,379,000.

The NWTHC will continue with a strategy that minimizes the impact of declining CMHC funding for the operations and maintenance of public housing by building multiplex units rather than fully detached units. Multiplex units are more economical to construct and are more cost-effective to maintain, especially when the utility costs are taken into account.

In 2010/11, through the incorporation of the EGH 80 energy efficiency standard, the NWTHC will see an increase in construction costs of approximately 5 percent. These additional costs for energy efficiency upgrades are anticipated to achieve full payback in an estimated 8 years.

LEGISLATIVE INITIATIVES

The activities of the NWTHC are subject to two pieces of legislation, the *Northwest Territories Housing Corporation Act*, as well as the *Financial Administration Act*. No legislative initiatives are planned at this time.